Advertising Age

50 YEARS 1930-1980

Entire contents copyright 1980 by Crain Communications Inc. All rights reserved.

The International Newspaper of Marketing • In Two Sections. Section 1. *September 29, 1980*

Key viewers cool to cable fare

By MAURINE CHRISTOPHER

NEW YORK—Neither conventional tv nor basic cable tv has been doing a very noteworthy job of programing to please upscale homes in the major population centers of America.

Nonetheless, $35,000-and-up-income households appear to be among the best prospects for the cable tv industry.

This somewhat contradictory conclusion jumps out in the first analysis of Arbitron and Video Probe Index' 6,000-page new electronic media study. This analysis was made for subscribers who purchased this behavioral/attitudinal study covering 9,100 tabbed questionnaires from noncable, basic cable and pay tv (premium cable and over-the-air subscription) homes in the country's 25 largest markets. Field work was done in May and June.

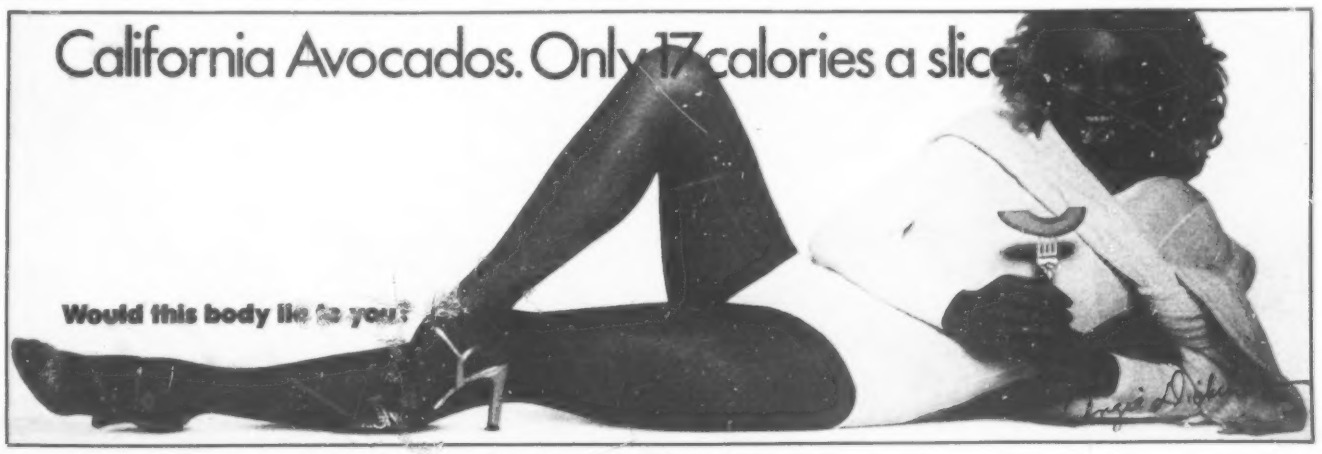
In the noncable homes tabulated, 14.6% of the respondents turned up in the low satisfaction percentage (when rating the family's satisfaction on general quality of tv regular programing), but for households with incomes of at least $35,000, the low satisfaction figure was 25.2%.

To see how people reacted when cable choices were added to the menu, the researcher took a look at the "churn" section of the report on dropouts from the basic cable subscriber lists. Some 12.2% of the noncable subscribers had been wired for catv once, but were not any longer—a considerable number of them because they had moved into territory not serviced by catv.

For light viewing homes, the dropout rate was 14.1%; for the upper income households, it was 15.2%. The analysis concluded that "upscale homes are the least satisfied with broadcast tv and those that have tried [basic] cable have also been the least satisfied with cable tv."

Another downbeat finding for cablecasters and cable programers came in the why-not-bought-cable-yet sequence. About 40% don't have cable in their neighborhoods yet; 21.1% said regular tv meets their viewing needs; 7.5% said it was too expensive, and 6.8% said

(Continued on Page 112)



Angie's dressed to kill a fattening image

Tv and movie star Angie Dickinson will appear in print ads for the California Avocado Commission to pitch the idea that avocados are nutritious and not fattening. Growers expect a bumper crop of avocados next year. *(See story on Page 110.)*

P&G sets return ads for Rely

By JENNIFER ALTER and RICHARD L. GORDON

WASHINGTON—Procter & Gamble will mount a four-week print and broadcast campaign urging women to return Rely tampons for a refund under terms of a Food & Drug Administration agreement that was nearly complete last Friday.

An FDA spokesman said a campaign of this size has never before been used to promote the withdrawal of a product under FDA jurisdiction. The P&G ads were scheduled to break Oct. 6 (via Benton & Bowles) and carry the same media weight as the company's normal Rely ad schedule, the FDA spokesman said.

■ The P&G/FDA agreement capped a week that began with the announcement P&G was withdrawing the product from the market and culminated with the FDA urging women to stop using Rely.

Upon withdrawal, P&G immediately discontinued all broadcast advertising—including network tv and spot radio—for Rely.

Industry observers believe the onslaught of publicity surrounding Rely since the Center for Disease Control released a study linking it to toxic shock syndrome ef-

(Continued on Page 107)

AMC slated in controversial film

By COLBY COATES

NEW YORK—With negotiations continuing over the weekend to fill the 16 network commercial minutes that CBS plans to run in the controversial "Playing for Time," Compton Advertising confirmed that one of its clients, American Motors Corp., had indeed purchased several units in the three-hour movie.

Another advertiser reported to have signed on was Richardson-Merrell Inc., via Benton & Bowles, its agency for several different lines, including Vicks NyQuil and Vicks VapoRub. Meanwhile, Compton admitted that it was also working to place several additional clients.

■ CBS-TV vp-sales Paul Isacsson, who admitted that selling the movie was the toughest task he's ever had, said the network had sufficient sales prospects to indicate the 16 minutes would be sold out by air time, Sept. 30, from 8 p.m. to 11 p.m. (EST).

Mr. Isacsson said some advertisers are supporting the program to uphold "their right to advertise freely." Others have signed on "because it's a good buy." CBS won't identify the sponsors. The best guess is that a 30-second unit costs about $40,000, although some sources indicated a two-for-one deal was in effect. If the movie, with Palestine Liberation Organization sympathizer Vanessa Redgrave playing Fania Fenelon, a survivor of Nazi concentration camps, gets a high 30s share, as CBS estimates, that $40,000 price gives an advertiser a super "technical" deal.

■ For Compton and its clients, getting their money's worth is of secondary importance.

"From a media standpoint, we have an obligation to support movies like this," said Dawn Sibley, senior vp-media director. "This agency stands behind good tv programing and our clients agree with this position," she added. She em-

(Continued on Page 107)

Musicians still picket

By BOB MARICH

LOS ANGELES—With a tentative settlement reached last week with striking actors, the still-striking musicians say that everyone will now dance to their tune. The melody that musicians have in mind is the now-familiar "Shutdown Blues."

The American Federation of Musicians will picket major studios every working day, vowed AFM president Victor Fuentealba.

"I don't know about the other craft unions, but we anticipate support from the actors because we have supported them," Mr. Fuentealba told ADVERTISING AGE.

The two actor labor groups have no-strike clauses in the contract up for consideration, and so whether or not to cross the promised musicians' picket lines will be up to actors as a matter of individual conscience. A Screen Actors Guild source said that some actors are certain to honor AFM picket lines.

■ In the meantime, executive committees of SAG and the American Federation of Television & Radio Artists today will conclude a review of the proposed contract and recommend whether to return to work during the balloting.

(Continued on Page 112)

last minute news

Freberg links with Paulucci on Jeno's spots

DULUTH—Hollywood humorist Stan Freberg and Jeno's owner Jeno Paulucci are teaming up for three new 30-second tv spots for Jeno's frozen pizza. The "spectaculars," via Freberg Ltd., will be backed with two 60-second radio spots, newspaper and magazine ads and outdoor boards. Jeno's dropped McCann, Chicago, its agency for less than a year, and has returned to J.F.P. & Associates. Ads will tout a "crispy crust you can trust."

Magnavox set to break umbrella campaign

KNOXVILLE, TENN.—Magnavox Consumer Electronics Co. will launch a $5,000,000 umbrella ad campaign Oct. 6, themed "The brightest ideas in the world are here to play." Theme also will serve as tag for its Magnavision videodisc ads scheduled to break in several markets by mid-October and nationally by the end of '80. This is the first effort from Campbell-Ewald, Detroit.

(Continued on Page 8)

NEWSPAPER
ha
AA MAR81
DC2001ACONGLIHAGNR 021159200133
R HAGERMAN SECY TO SP VP
CONGRESSIONAL INFO SERVICE
7101 #1SCONSIN AVE
WASHINGTON DC 20014

How they're squirting Juice through airports

Hertz Corp. has O.J. Simpson flying instead of running through airports in new spots for its #1 Express service. Dove Films put the former football star in a body mold atop a 15-ft. pole (left) to achieve the flying effect. "Now you can fly through airports without stopping at the Hertz counter," notes spot from Scali, McCabe, Sloves. Spot ends with O.J. landing in the driver's seat through a sunroof.

Creatives on pols' ads: Bor-r-ring

By LEAH ROZEN
An Advertising Age roundup

A survey last week of agency creative gurus across the country showed most of them to be less than enthusiastic about the current batch of political tv spots airing for presidential candidates Jimmy Carter, Ronald Reagan and John Anderson.

For most, the "I-don't-like-'em-very-much" response mirrored their attitude toward all three of the candidates. For each of those execs who ventured an opinion on the ads another two did not, saying they had not seen any of the spots.

The Carter commercials are the work of Rafshoon Communications, Washington and Atlanta; the Ronald Reagan spots by Campaign 80, a specially formed agency based in New York, and John Anderson's spots are by Garth Associates, New York.

The average response from those contacted seemed to be that the Carter ads are more effective than the Reagan spots, which were judged to be kind of dull. The Anderson spots have not been running frequently enough for any to form opinions.

"I don't think much of political advertising. Period," said Ed McCabe, U.S. president and worldwide creative director at Scali, McCabe, Sloves. "It offends me. I think the surgeon general should stamp all political ads as being hazardous to your health."

Mr. McCabe said the five-minute Reagan spots he'd seen were "too long." As for the 30 and 60-second Carter ads, "They were too long, too," he remarked.

Specifically, Mr. McCabe said the Carter ads are "reaching very hard to say something good about this guy when there isn't much to say," while the Reagan ads have library sets that "look cheap and cheesy."

(Continued on Page 108)

Philip Morris U.S.A.'s Merit Ultra Lights campaign breaks Sept. 29 in test markets. Leo Burnett Co., Chicago, handles.

Seagram mix hurts major books

NEW YORK—On top of severe cutbacks in ad pages for 1981 by R.J. Reynolds Tobacco, newsweeklies again have been hit hard by a redistribution of ad dollars from Jos. E. Seagram & Sons.

Although the cuts work out to roughly 40-pages each for magazines such as *Business Week*, *Life*, *The New Yorker* and *Time*, Bernard Stolbof, director of corporate media, House of Seagram, maintained that the giant distiller's over-all magazine budget for the current fiscal year was equivalent to what was spent in the medium in the last fiscal year. Other publications affected by the cutbacks, but not as severely as the aforementioned, include CBS Publications, *Newsweek* and *Sports Illustrated*.

Mr. Stolbof went on to explain that monies have been redirected to regional magazines, women's books and magazines that previously were not on the media schedules of certain brands. As examples of magazines new to the Seagram list, he said, were *Discover* and *Inside Sports*. He added that books such as *Penthouse* and *Playboy* would be getting additional ad pages.

■ The Seagram exec said there was no conscious effort to deliberately cut back major weekly magazines. As media schedules for various brands were worked out by Seagram and its agencies, "that's the way it fell."

Mr. Stolbof also confirmed that the giant distiller will be increasing its spending in Sunday supplements, daily newspapers and outdoor.

But if the new fiscal year's budget is equivalent to last year—roughly $84,000,000—and other media are gaining ad dollars, how could Seagram's ad pages be roughly the same in magazines? Mr. Stolbof replied that by "more efficient buying" three ad pages in a given magazine could be purchased for what it would cost in a big newsweekly.

Despite Mr. Stolbof's explanation, there was a strong feeling in newspaper circles that Seagram indeed had cut back its magazine spending. "It's my understanding that the magazine cutback is roughly $10,000,000 and that r.o.p. will be getting about $1,000,000 of that," said a source. He also added that Seagram was using Sunday supplements for brands that had never before used them.

A source at a major newsweekly confirmed that while it looks like a tough year ahead for some big books, "it should be a banner year for regional books and city maga-

(Continued on Page 107)

highlights

Monday, September 29, 1980

Senate budget trimmers, claiming waste in government advertising and pr, back a 10% across-the-board cut for next year. *See Page 4.*

Union Carbide launches a new, three-ply trash bag. *See Page 6.*

The Treasury Department says it's opened the way for more innovative merchandising of alcoholic beverages. *See Page 10.*

Western Union sings again. *See Page 14.*

Self's new publisher, Verne Westerberg, plans to keep the success record he established at *Bride's*. *See Page 18.*

King Features is celebrating 50 years of "Blondie" and 30 of "Beetle Bailey," while "Popeye" and "Flash Gordon" score best with tie-ins, thanks to movie and tv projects. *See Page 20.*

Retired Kraft exec Chester R. Green discusses the difficulties in new products marketing and defends his company's record. *See Page 24.*

Young & Rubicam has thrown away a lot of "conventional" approaches to auto advertising in its campaigns for Lynx and other new Lincoln-Mercury autos. *See Page 30.*

AMF Inc. tries new print campaign. *See Page 38.*

Guerlain hikes ad budget in the U.S. as it seeks to stand out from the crowd. *See Page 40.*

Cost-effective marketing may be the key to survival for many banks in the 1980s, the Bank Marketing Assn. annual meeting was told. *See Page 51.*

Clairol Inc. and Gillette Co. get ready to jump into the embattled skin lotion category. *See Page 52.*

Success Unlimited has taken a new look and a new tack to selling itself—cable tv. *See Page 54.*

In the second of three parts, ADVERTISING AGE associate editor Nancy Giges examines four cases in which comparative ads sparked some controversy in the advertising world. *See Page 59.*

William D. Tyler presents his 10 picks for September and poses the question: "Should creative people get residuals for long-running commercials just as the actors do?" *See Page 66.*

Camaro's high performance image is passed to the Citation X11 as Chevrolet poses the former as economic. *See Page 72.*

New York Post publisher Rupert Murdoch praises the *Post* and pooh-poohs the *Daily News' Tonight* edition. *See Page 76.*

Donald Duck gets ready to squeeze into the California orange juice market. *See Page 82.*

While the Coca-Cola Co., Atlanta, reports a depressed third quarter due to a 7% decline in foreign sales over the summer, a turnaround is already under way. Coke execs in many foreign markets expect not only a recovery but also a general improvement. *See Page 88.*

Paterno Imports, Chicago, will downsize its wine bottle, hoping to establish a new category. *See Page 110.*

Section 2

Soaring fuel costs and a recession have forced many U.S. drivers to seek shelter in the compacts offered by auto makers in Japan and Germany—all at the expense of Detroit's "Big Three." In an effort to regain the strength Detroit is unveiling a new line of cars that it hopes will revive its sagging financial fortunes. Why did it take U.S. auto makers this long to respond? And exactly what is Detroit offering the motoring public in 1981 and beyond? These and other questions are explored in Section 2/Auto Marketing, beginning opposite Page 58.

REGULAR FEATURES

ACCOUNT CHANGES	32	HIXON AT LARGE	46
ADVERTISING AGE MAGAZINE	59	MEDIA PEOPLE	96
ADVERTISING MARKETPLACE	99	OBITUARIES	18, 108
AGENCY PEOPLE	86	PHOTO REVIEW	36
BRADY	84	PRESSTIME	8
CON-SID-ERATIONS	16	PUBLIC RELATIONS	74
CORRECTIONS & CLARIFICATIONS	6	REGIONAL NEWS	42
EDITORIAL VIEWPOINT	16	SIDEBARS	44
50 YEARS AGO	54	VIDEOTECH	80
FOR THE RECORD	107	VOICE OF THE ADVERTISER	90
GETTING PERSONAL	22		

Vol. 51, No. 42—ADVERTISING AGE (ISSN 0001-8899) is published weekly, except semiweekly the third week in March, the second week in September at 740 Rush Street, Chicago, IL. 60611. Second-class postage paid at Chicago and additional mailing addresses.

Hirsh out at Puritan in ad flap

NEW YORK—Following a showdown over Calvin Klein jeans advertising created by Richard Avedon and featuring Brooke Shields, Puritan Corp. president Warren Hirsh has been forced to resign his post by designer Klein.

More than a week ago, Mr. Hirsh called ADVERTISING AGE to deny published reports that he objected to the current jeans ads and intended to replace them with a harder-hitting campaign of his own. At that time, Mr. Hirsh said the commercials would air again in November and possibly would run in tandem with a new campaign for 1981 (AA, Sept. 22).

Following the airing of the Avedon commercials, Klein jeans sales rose dramatically. However, industry sources caution that the gain might be attributable to back-to-school, the strongest time of year for jeans sales, and not entirely to the advertising.

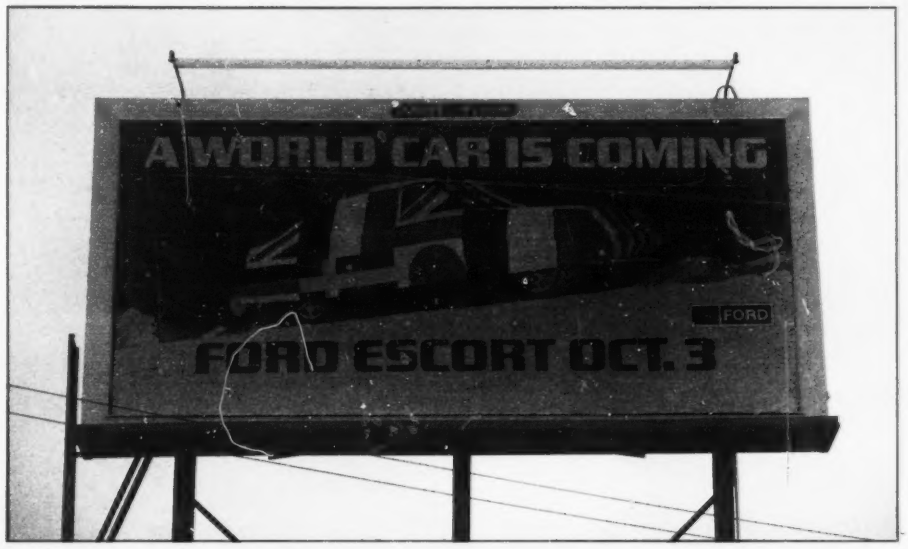
Despite his denial of the report, most industry sources con-

(Continued on Page 108)

Advertising Age/Section 2
SEPTEMBER 29, 1980

Ford's new world car typifies what's new in . . .

AUTO MARKETING



Detroit woos U.S. with the world . . .

BY MAYNARD GORDON

DETROIT—After years of trying, mostly in vain, the domestic auto industry is convinced its new subcompact "world cars" will do serious battle with the Japanese invaders for the affections of U.S. buyers.

Which is why Tokyo and Hiroshima auto execs think they know what the coming General Motors J-car stands for—even if GM coyly says that choice of the designation letter "J" has no secret meaning whatsoever.

The conviction is growing in Japan that J-cars are "Japan" cars, aimed squarely at the subcompacts the Japanese auto makers have used to clobber the American counterparts in one market after another.

Add to the J-cars Ford's own 1981 worldsters—Escort and Lynx—and one comes up with a one-two punch designed to win back from Toyota Corolla, Datsun 210 and the like a respectable number of the owners who once drove Mustangs and Vegas but switched in the later 1970s and went import.

▪ Who are these defectors? Detroit Toyota dealer Bob Page describes them as patriots first but value seekers second who "want a car that's dependable" and "are willing to pay if they feel they are really getting the value for their money."

First out of the world car gate will be Ford's Escort and Mercury Lynx, whose preintroduction ad campaign zeroed in on Ford's around-the-world car-building skills and made a hard pitch for the engineering and fuel economy of the new cars.

Tacitly conceding that many import owners have been turned off by domestic small-car product problems and fuel-economy disappointments, Ford public relations vp Walter Hayes said that an Escort/Lynx ad goal will be "to rekindle buyers' confidence in American technology."

Miles per gallon specifics will fuel both the Escort/Lynx and J-car ad launches. Ford touts the claim that with manual transmissions, the Escort/Lynx four-cylinder engine gets 30 mpg in the city and 44 on the highway.

In the wake of sharply reduced sales this year except for GM's compact front-wheel-drive X-cars and subcompact Chevrolet Chevette, the domestic "world car" ad launches will play up still another message directed at import buyers. That is the rededication of GM and Ford factories and dealers to small-car sales and service.

▪ Thus, one of the largest volume fleet car managers, Stan Chason, president of Gelco Fleet & Management Services Co., a nationwide rental agency, describes the Escort as "a tremendous daily rental car, excellent for the consumer."

Reaching out for markets conquered by small imports, the Detroit-based manufacturers have isolated the below-30 age group and the "California syndrome" as the prime demographic targets because the Golden State has been 40% penetration domain for the imports throughout the last half of the 1970s and into calendar 1980. But the import universe has expanded dramatically with the sharp advance in gasoline prices, taking in middle-age second-car and third-car families and old people seeking economical "wheels" and a reliable vehicle.

Norman D. Lean, general operations manager and former sales chief of the No. 1 selling importer, Toyota Motor Sales U.S.A., recognizes that the domestic world cars will challenge his Corolla and its Japanese rivals in the fuel economy area.

▪ But the soft-spoken Mr. Lean points to dependability as a growing factor in import buying decision-making, saying that Toyota's U.S. warranty cost of $20 a car is only one-third of that at Chrysler Corp.

Moreover, Mr. Lean recalls that Toyota carved out its U.S. target markets diligently in the late 1960s and early 1970s through an unprecedented study of tracking data, unearthing typical American values, life styles and feelings about the kinds of transportation Yankees wanted. Toyota, to borrow a phrase, "wrote the book" on market studies and it paid off handsomely.

Toyota and the rest of the Japanese invaders kicked off their U.S. march with fuel-efficient subcom-

(Continued on Page S-2)

Maynard Gordon is a Detroit-based free lance writer.

. . . but it'll be tough

BY DICK ANDERSON

DETROIT—Once upon a time there was the Model-T Ford. Cheap enough for "the people," yet reliable enough to capture the confidence of both U. S. and worldwide buyers.

To meet the demand in Europe, a production plant was opened in Trafford Park, U.K., in 1911, a world first for a U.S. auto maker.

Then came the Jeep—the beloved mule of World War II.

Then there was the Volkswagen "Beetle" ("Think small").

And, of course, the Rolls-Royce.

Each in its own way and time had a valid claim to the title "world car." Each considered a unique solution to the desire for personal mobility.

Today, the impetus to design, engineer, manufacture and sell "world cars" preoccupies the time of all automotive manufacturers—particularly those in the U.S.—and for good reasons.

By now, you know the reasons by heart: Increasing fuel costs, inflation, plummeting sales of U.S. produced cars, soaring sales of the imports and the increasing pressure of the U.S. emission and safety regulations.

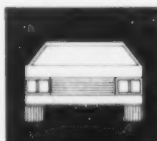
Some important questions are being asked. What's the answer for U.S. car producers? The "world car"?

▪ Why is it necessary for the U.S. auto industry to regain the economic health it once enjoyed? Will personal transportation be reduced to the prospect of up to four people riding identical boxes? What are the unique problems for the world marketing of a "world car"?

The fevered rush to produce

(Continued on Page S-46)

Dick Anderson is a free lance writer in Detroit.



HIGHLIGHTS

Marketing technical features S-2
Auto regulations S-26
Customer satisfaction S-28
Auto aftermarket S-30

World car is facing a bumpy road ahead

To some, it's nothing new; to others, it means hope.

(Continued from Page S-1)

world cars" has been called "the most massive and profound industrial revolution in peacetime history."

▪ Narrowing that concept to the daily concerns of the auto industry, here are what people on the leading edge of the movement are saying about the "world car," and what it is all about, what the U.S. auto industry is doing to achieve "world car" status and how marketers can reestablish their expertise as "salesmen to the world."

Toyota

Bryan Bergsteinsson, product planning manager, and John Koenig, product development manager, Toyota Motor Sales U.S.A.:

"The Corolla has been the No. 1 selling car in the world for several years . . . and is exported to over 100 countries around the world.

"What's a world car? It's a car that, in concept and design, is intended to be produced and marketed throughout the world, as opposed to being targeted to a specific market.

"All of our cars are assembled in Japan, so in that respect they're different. But in terms of the concept of how you design a car, really, we've been building world cars for quite a while.

"Our function here in the U.S. is to tell the Toyota Motor Co. in Japan what is marketable here. So we tell them the best way to market themselves and plan a Corolla.

"But they also have to take into consideration all the other countries throughout the world. It is a very difficult task for TMC in Japan. So a world car concept is a very difficult thing to finally complete. I'm sure General Motors is finding that out.

▪ "The demands of the marketplace are shifting rather radically . . . not only in the U.S. [but also] in other areas of the world. Americans are aghast at $1.30-a-gallon gas. But the same inflation . . . is happening in Japan and Europe and everywhere else. So consumers in those markets are changing their demands for what a product has to offer in terms of fuel economy, package efficiency, etc.

"Will all world cars tend to look alike? I think that's true. It's dictated by 'form-follows-function.'

"In the U.S., in the past, the stylist was in the leadership position. He 'styled' the car—and the engineer built the car around the style. I think the reverse may be true as cars get smaller and the demand is for better package efficiency.

"Certainly, we consider General Motors, Ford and even Chrysler as formidable competition. In the U.S. and around the world, there seems to be a consolidation of effort. The consensus is that, during the '80s, the market in the U.S. and the rest of the world is going to be very competitive.

▪ "There are some alliances being formed. I think that those alliances allow [marketers] to pool engineering efforts and resources. Whether it shakes down to six car companies in 20 years is a question mark. I think there will be some consolidation. The degree of that consolidation is another issue."

General Motors

General Motors has announced it is investing more than $8 billion outside North America during the first five years of the '80s to improve its competitive position where it believes the strongest growth in automotive sales will occur.

As George Schreck, GM's manager of overseas public relations, puts it: "We recognize that we're behind some of the competitors at the moment in the market outside the U.S. But just as GM is No. 1 in the U.S., our planning encompasses . . . becoming No. 1 in the market abroad as well.

"There is, of course, a great deal of competition—about six or eight major competitors . . . around the world. Competition is extremely fierce. It's a large market, but the pie is thinly sliced. But, that's our objective . . . and we plan to overtake Ford."

▪ GM's commitment, recorded in its "1980 Public Interest Report," is in the development of world vehicles, which would share the same basic design and interchangeable parts.

"A key factor behind a world vehicle," the report said, "is to have components produced in plants serving several countries so that volume production will minimize costs.

GM's first move will be made with the closely guarded J-car, scheduled for introduction in the spring.

"At the present time," said Alex C. Mair, GM exec in charge of technical staffs group, "we do not have an entry. Fortunately, those entries that come in from Europe and Japan are good ones—so the competitive spirit is here and we have everything going, trying to be better than they are."

Will world dealers eventually be selling world car subcompacts—all with cookie-cutter sameness? Mr. Mair thinks not.

"We have a challenge on that at GM," he said. "We are quite sure that the individual artistic feel of people is not going to go away. After all, cave dwellers created paintings on the walls of their caves. A human being does respond to beauty."

If the world cars are here, can the marketing of a "world truck" be far behind? "We have a World Truck and Transportation Project Center here at GM," Mr. Mair said. "[It was] formed about a year and a half ago. Gradually the need for commercial vehicles will be more and more alike throughout the world."

▪ GM is attempting to establish "which vehicles we should start with first," said Mr. Mair. "Those, from the marketing standpoint, could be the most alike. We're looking at all types."

Mr. Mair added: "I think that the world competition is good. We really can't have just concentrated technology and production just in [a few] places in the world. And since the world needs to continue to expand, the countries that are rising up out of the 1800-type living . . . need to have transportation. I think it needs to come from throughout the world."

▪ George Schreck brings his extensive overseas experience in Latin America and Australia to the challenge of marketing world cars.

"There are local customers, of course, and nuances and aims that you have to be aware of," he said. "Our dealers are independent businessmen just as they are here in the U.S. We have dealer representatives, service reps, advertising campaigns, an advertising agency, much the same as here. But naturally, you have to be aware of local conditions, customs and mores—so that you don't step on any local sensitivities.

"Take two English-speaking countries; Australia and the U.S. There are slang phrases . . . used in advertising that would be appropriate here [and not] there.

"And yet there are some things that would be quite adaptable. For example, the Chevrolet phrase Baseball, hot dogs, apple pie and Chevrolet.' The same basic idea could be used to impart a local flavor to the advertising. But baseball would not be appropriate in Australia."

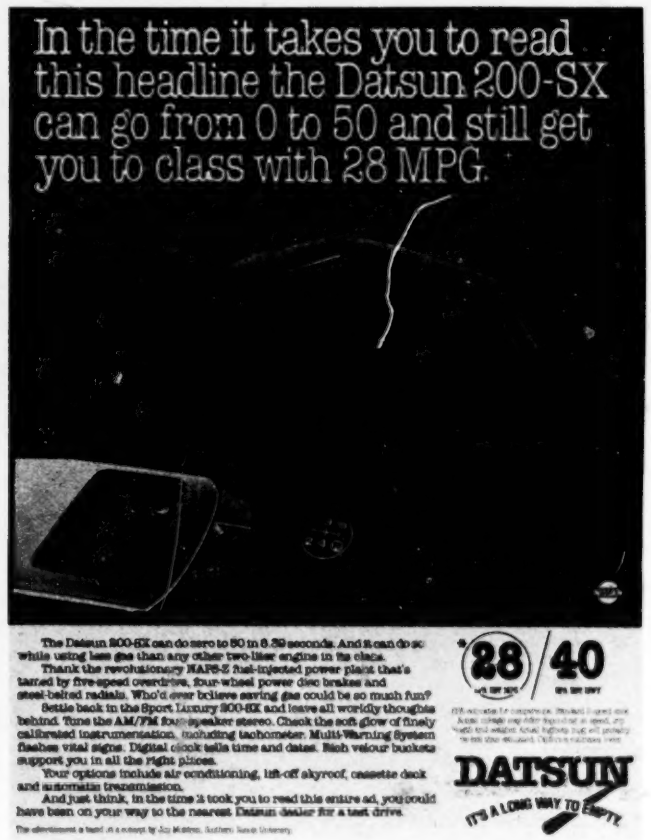
"It was so effective here and it had a catchy tune, so we picked it up in Australia.

"But it had to be adjusted—to 'Football, meat pies, kangaroos and holden cars.' "

Nissan (Datsun)

Bob Kent, vp-marketing services for Nissan U.S.A., doesn't have to define the concept of world car. Datsun has the cars.

"The basic product we're selling now is a world car," he said. "America has had a love affair with


In the time it takes you to read this headline the Datsun 200-SX can go from 0 to 50 and still get you to class with 28 MPG.
The Datsun 200-SX can do zero to 50 in 8.29 seconds. And it can do so while using less gas than any other two-liter engine in its class.
Thank the revolutionary MAPS-Z fuel-injected power plant that's tamed by five-speed overdrive, four-wheel power disc brakes and steel-belted radials. Who'd ever believe saving gas could be so much fun?
Settle back in the Sport Luxury 200-SX and leave all worldly thoughts behind. Tune the AM/FM four-speaker stereo. Check the soft glow of finely calibrated instrumentation, including tachometer. Multi-Warning System flashes vital signs. Digital clock tells time and dates. Rich velour buckets support you in all the right places.
Your options include air conditioning, lift-off skyroof, cassette deck and automatic transmission.
And just think, in the time it took you to read this entire ad, you could have been on your way to the nearest Datsun dealer for a test drive.
28/40
DATSUN
IT'S A LONG WAY TO EMPTY.

Even before Ford put out word about its Escort, it had a world car of sorts in its Fiesta, a model popular in Europe. Ford, indeed, has had a long tradition overseas, and it is attempting to capitalize on some of the know-how it has developed to help pull up sagging sales. Nissan Motors, on the other hand, has long been marketing many of its Datsuns to customers around the world, making it one of the top forces in the entire auto market today. As Bob Kent, vp-marketing services of Nissan U.S.A., says, "The basic product we're selling now is a world car."

U.S. domestic new car sales

Marketer	First six mos. '80	First six mos. '79	% change
Chevrolet	923,783	1,139,151	−18.9
Ford	575,396	828,537	−30.6
Oldsmobile	417,755	505,383	−17.3
Buick	352,039	363,167	− 5.8
Pontiac	315,120	421,622	−25.3
Mercury	169,899	276,502	−38.6
Dodge	132,436	209,521	−36.8
Plymouth	120,568	191,363	−37.0
Cadillac	106,152	160,893	−34.0
Volkswagen	96,194	85,533	+12.5
American Motors	78,788	72,991	+ 7.9
Chrysler	74,756	122,347	−38.9
Lincoln	36,292	68,766	−47.2
Total	3,399,176	4,445,776	−23.5

BEST AVAILABLE COPY

"As long as owners perceive that you have a good product for the money, they'll give you a fair shot. If not, why should [they] be influenced to do it again?"

the big, living-room car. Now that fuel costs are escalating, people are taking a second look and saying, 'I can no longer afford those monsters.' "

"The appeal of smaller cars, which is what we're marketing now and what world cars are coming to, is going to broaden the area in which we sell. Historically, our cars have been sold to the higher income, better educated prospect. But as all cars become downsized . . . then the market begins to lose some definition. Everybody is competing in pretty much the same, but bigger, arena."

▪ And the new competition? "We've always had competition," he said. "Obviously it's going to increase significantly." But he doesn't envision a radical change in what has been a competitive marketplace.

In the years ahead, Mr. Kent predicts a change in the types of cars offered. "There's going to be a personal transportation car, a commuter car and a family car," he said. "There may be more techniques for reaching the consumer. Satellite transmission, etc."

But he emphasized, "I guess I don't see that the marketing of cars [will be] significantly different five or ten years out than it is right now. You always sell one car to one customer at a time. I don't see any change in that direction.

"As long as owners perceive that you have a good product for the money, they'll give you a fair shot. But when the perception . . . or the experience you've had with the product indicates that that wasn't such a good deal the last time, why should I be influenced to do it again?"

▪ Kurt Bartsch, director of product planning, said: "One of the things we're particularly proud of—and I don't think many people realize—is that the car, as it is now, gets many many parts from outside Japan: Seat fabric, wiper blades, windshield glass, engine components, headlights, tires, wheel covers and carpeting, for example.

"If the fact that you're getting more parts from around the world is part of your definition of a world car, then . . . Nissan and other Japanese companies are definitely moving in that direction.

"From the layman's viewpoint, cars may all have very similar external dimensions. But there will be more of a [competitive] battle trying to develop innovation into the product, greater application of electronics for both engine controls and instrumentation, and more emphasis on aerodynamics."

▪ Masataka Okuma, exec vp, Nissan Motor Co., voiced the Japanese position and fears at the *Automotive News* World Congress in July.

"This world car concept is one of the best ways of catering to the variety of needs in the future market, while at the same time securing productivity and profitability," he said. "However, only a limited number of auto manufacturers are qualified to make world cars. This is because success will necessarily require having production centers scattered all over the world to make this world sharing of manufacture feasible. Also essential is a strong worldwide sales network through which cars produced on such massive scale could be sold.

"In general, Japanese makers are more than prepared to invest in production facilities in developed countries, if this proves feasible. This should, of course, be based on the principle of free trade. The world car concept, if possible, should also be based on this premise.

Mr. Okuma believes that the capacity of North American manufacturers to supply small cars is expanding dramatically.

"In Europe, in addition to their normal increases in small car supply capacity," he said, "a new production volume will come into the market from plants established in line with the idea of the world car concept."

In Japan, he said, there aren't any plans to enlarge production facilities significantly, and the car makers with no foreign capital affiliation have no such plans.

Volume exports from developing countries such as Brazil, Mexico, Korea and Taiwan are actively encouraging the export of cars to nurture their domestic automotive industry. And some nationals such as the Soviet Union, Poland and China are strengthening their automotive industries as a national policy.

"All these factors combined can only mean one thing—an over supply of small cars," Mr. Okuma said. "Auto manufacturer must "be prudent in planning through precise forecasts of the future demand-supply balance."

Despite the present withering competition from Japan on the U.S. marketplace, Mr. Okuma noted the fears of the Japanese.

"What is frightening is the tremendous scale of resources that U.S. car manufacturers have at their disposal," he said. "It is reported that in the next five years the American auto makers will invest the incredible sum of $80 billion to develop small cars and the production facilities needed to produce them.

• "It will arm them with sufficient competitive strength to threaten our existence. That is, in a few years, the world car will make its appearance in the international marketplace; 1,000,000 units or more of a single model will be produced and sold around the world. When that day comes, the U.S. makers will be in a far stronger position thanks to the large sums now being invested. This specter is what frightens us."

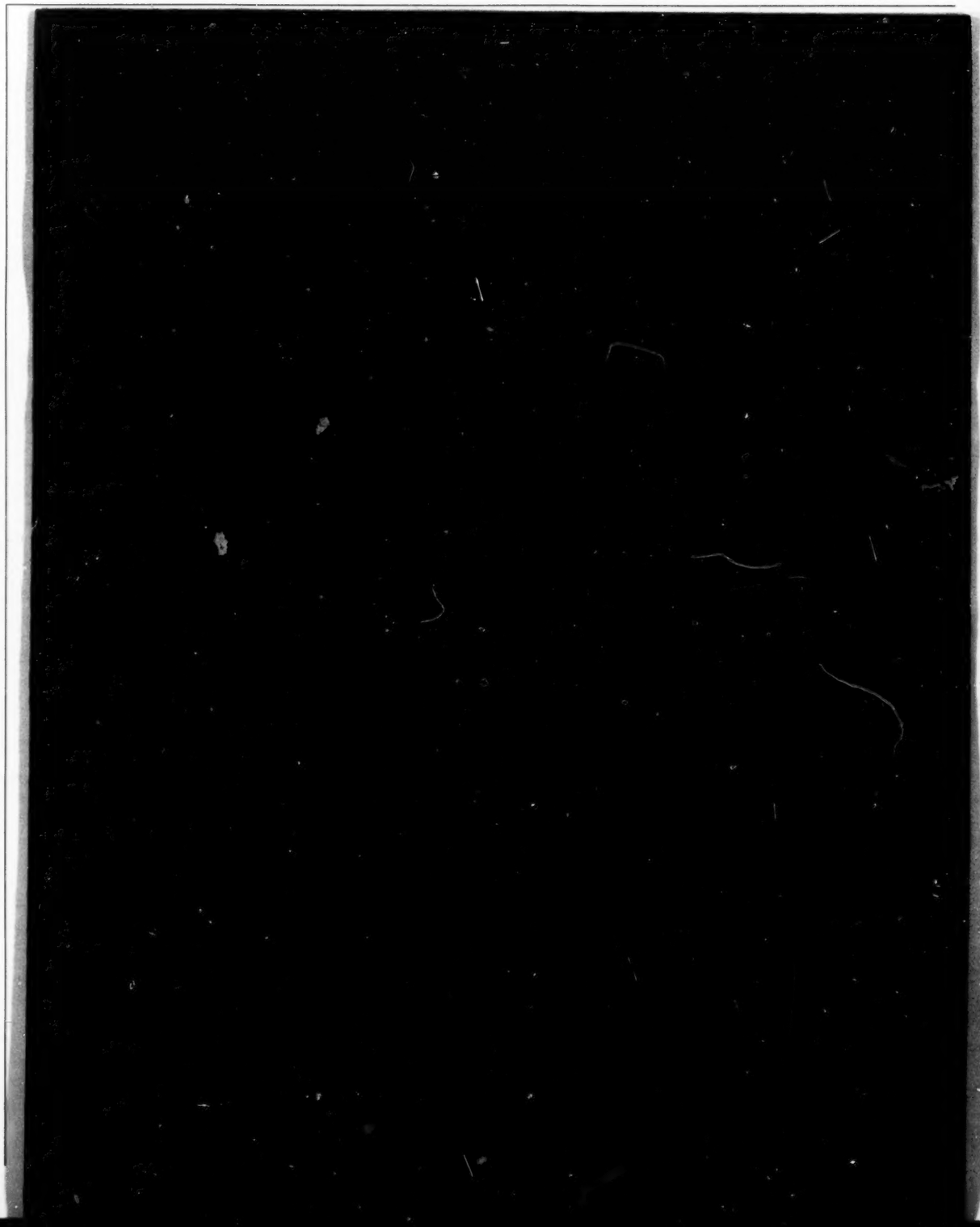
Ford

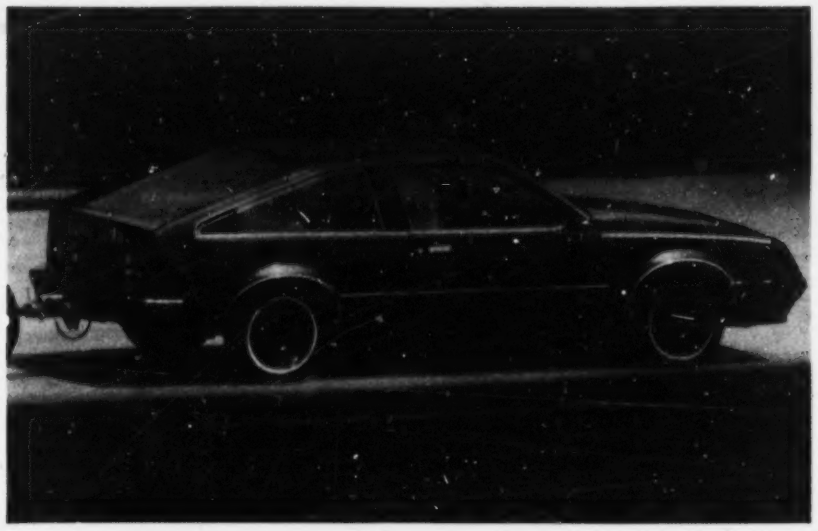
Walter Hayes, vp-public affairs, Ford Motor Co., talks with enthusiasm about the market and marketing of Ford's world cars, Escort and Lynx, to be launched Oct. 3.

"One of the very interesting things about this market, so far as I'm concerned, and the thing that was interesting from the very beginning, is that they talk about the 'U.S. market,' as if there is something neat and tidy. There are as many diverse markets in this country as there are in Europe. And just as many language differences, too.

"You can become over-obsessed

(Continued on Page S-42)

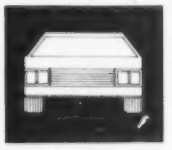




Among the vehicles General Motors is testing for introduction in 1981 (shown here in "spy" photos) are the Chevrolet J-car fastback (upper left) and four-door (lower left) and Pontiac four-door station wagon J (upper right). Meanwhile, American Telephone & Telegraph is participating in a GM project to put electric vans on the road.

. . . but it'll be tough

(Continued from Page S-41)
with the small car, because it isn't certainly going to meet the needs of everybody. If you want a car for business use, if you've got a large family, if you're an outdoor kind of family—really, the car you need is the most sensible car for your needs.



"This is such an international company now [Ford of Europe was formed in 1967] with substantial management with world experience. We talk about the technical expertise that goes into the making of the car—but the marketing expertise has been taken for granted . . . because we have been doing it for a very long time."

▪ In Europe, Mr. Hayes explained, the problem is city congestion plus fuel costs. In the U.S., it is distance plus fuel costs. "It's not only the high price of gas, which has always been that way in Europe, it's city congestion," he said. "If you're shopping in Europe, you're shopping in a town. It isn't a question of money. It's a question of 'where do we squeeze [the car] in?'

"In the U.S., [the wife] doesn't have to wonder whether she's going to be able to park near to the shop. She has the big, beautiful parking lots.

"If God had meant Americans to have nothing but little cars, He would have designed a smaller country.

"There's no way you can speak in one voice to Europe. And there's no way you could just use English."

When the first Capri was introduced in Europe, he said, "the theme that the agency came up with was 'The car you always promised yourself,' because it was. There was an exciting little Ford and now you could really have a little car like that.

"In German that came out 'The car of your craziest dreams.' Not exactly what you want to say, is it? You've got to watch how funny you can be.

"The British like humor in advertising. But there are many places where a car is too serious a purchase to be laughed about.

▪ "It's very interesting that in all the comic Volkswagen advertising that Doyle Dane Bernbach did over here, they used to go back to Volkswagen in Germany and say, 'That's a great campaign in the States. Why don't you do it over here?' And Volkswagen very likely would say, 'You must be out of your mind. Over here we are serious. A Volkswagen car is a very serious purchase.

▪ Another difference: "We use television in Europe very little for car advertising," Mr. Hayes said. "This is not only because it's very expensive, but in some countries they haven't seen commercial television. And there are some countries where it does not appear to be very sensible to sell expensive consumer durables in one-minute flashes like that.

"The tendency where we do use television in Europe has been for launch registration—to say, 'here is something new.' But really, [we] rely on somewhat long copy in print ads.

"The Germans are obsessive magazine readers. They have very expensive and thick magazines all over the place. And so we do a lot of magazine ads.

▪ "Also, commercial radio is rather new Europe. Years ago, apart from Radio Luxembourg, there weren't any real major commercial stations. They were all state stations.

"But the Italians have 1,500 commercial radio stations now. It's a different world; and you speak through the magazines, really.

"This country is going to discover that going down into small

A flash from the past: History repeats itself

PONTIAC, MICH.—When Robert C. Stempel, general manager of General Motors' Pontiac division, was asked whether the 1973 oil crisis was a turning point of sorts in the development of the world car, he pulled out an old press release from his files:

For Release, Monday, Jan. 21, 1966:

A reduction in the number of companies operating separate divisions or companies for the conduct of overseas business was considered likely in the future, a Michigan State University professor forecast in Boston today.

Thomas A. Staudt, chairman of the university's department of marketing and transportation administration, in a luncheon address before the 29th New England Executive Conference at the Statler-Hilton Hotel, indicated corporate market planners and executives would be increasingly called upon to take a worldwide view of market opportunity rather than turning over the entire responsibility for the cultivation of overseas business to a totally separate group or enterprise.

"The one-world market philosophy would call for evaluation of the most efficient points of production and access to technological competence whether here or abroad," he said. "Provincialism in marketing thinking will diminish as attractive growth opportunities elsewhere present themselves and U.S. corporations seek to share in the development of free markets on an expanded basis. Product and promotional strategy will have to accommodate cultural and institutional differences, but be an integral part of a total corporate strategy."

Mr. Staudt also forecast that a number of the larger European companies would more closely resemble the U.S. corporate model in the future.

While traditionally priding themselves on a "lean" organization with few staff groups and smaller overhead costs, Mr. Staudt indicated, [companies would find that] the increased intensity of competition and market uncertainty that would accompany the reduction in trade barriers and the erosion of cartel arrangements would lead to marketing organizations similar to those prevailing in the U.S.

Such staff groups as market research, sales forecasting, formalized planning, operations analysis and management development would emerge or grow and comparative cost advantages would be narrowed, he said.

Mr. Staudt called on U.S. businesses to continue the trend of sending the best qualified and most flexible executives overseas rather than those that were the easiest to do without in the domestic market. More stands to be gained or lost than just short term corporate profits in these critical times, was his concluding observation. #

Editor's note: Today Mr. Staudt is vp-marketing group of American Motors Corp.

"You create a world car by combining the know-how, enterprise and ingenuity of technical experts no matter where they happen to live."

Plymouth's K-car, the Reliant, will come in two and four-door models.

cars does not mean that you have to give up anything that you've been used to in a big car. And that's why I think [the Escort and Lynx] have a big statement to make in the market.

"There's nothing basic about them. Anything you can think of, they've got it."

■ Against this background, Ford views the world car as "one planned, designed and engineered by international teams of technical experts drawing on the best technology and talent available in a worldwide corporation," said Louis R. Ross, exec vp-car product development group of Ford North American Automotive Operations.

"We don't believe you can make a world car simply by moving pieces of metal around the world or by complicated sourcing patterns," he said. "We don't believe you have a world car just by selling it in many different countries either.

"You create a world car by combining the know-how, enterprise and ingenuity of technical experts no matter where they happen to live."

"The beauty of the world car is that it capitalizes on two of Ford's great attributes: Worldwide presence and worldwide experience.

"Almost from the day it was created 77 years ago, Ford has put down its roots in countries around the world. We manufactured cars in Germany long before Volkswagen was invented; we made them in Britain before Jaguar; in Sweden before Volvo; in Japan before Toyota and Datsun."

Chrysler

How can American manufacturers flourish in foreign markets? The success of Chrysler de Mexico, the seventh largest company of any kind in Mexico, with a 22% share of the market, is described by managing director Jack H. Parkinson:

"Chrysler made a real effort to understand and appreciate the country we were operating in—its economy, its culture and the people who staff the company and buy our products," he said. "First, management and staffing. Chrysler de Mexico is a Mexican company and not simply an extension of its American parent. With a few exceptions, all the key jobs in manufacturing, sales and marketing are held by Mexican citizens.

"Second, marketing. We have based all our marketing programs on one simple strategy—find out what our customers want and give it to them. We found out that consumers trusted the traditional Dart and Valiant nameplates, so we kept those names for the new cars rather than calling them Aspen and Volare. We found out that people liked the front grille of the Valiant and back window of the Dart. So we combined those two features on both models.

"Third, dealers. As we built our network of dealers, we recognized the fact that in Mexico, family is everything. It's an important thing for a dealer to bring his son up in the business. If a dealer has several sons, he will often come in and ask for more dealerships. We do everything we can to accommodate him.

"Finally, government relations. Mexico has a serious shortage of cars and especially trucks. When the government told us the country needed more trucks, we built them. Truck production has been virtually doubled in 1980. Working with the ministry of public education, Chrysler assists to improve technical education in the schools by training over 200 teachers a year at its technical institute."

American Motors

AMC chairman Gerald C. Meyers outlined his concept of the world car company to a California audience in February.

"The idea of producing complete vehicles in one country and selling them there is out of date," he said. "These days, it is common for a manufacturer to spend $1 billion to develop just one new car. To make such expenditures pay, that manufacturer must achieve the ultimate in efficiency in designing, engineering, producing, shopping and marketing its vehicles.

"Many people think that the answer is the world car, cars of singular design, requiring common processing and salable everywhere." But because of special national needs, tastes and differing regulations, Mr. Meyers said, AMC's experience says "there is no such thing as a world car. Just as there is no average buyer.

■ "It appears to be that the '80s will be more the decade of world car companies and not world cars.

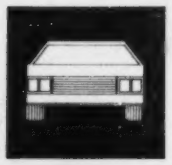
"Only big companies will survive because of the enormous capital investments required to produce the cars which meet changing needs.

"We calculate that the 30 or so independent auto manufacturers in the world today will narrow to about a dozen auto manufacturers by the end of the century."

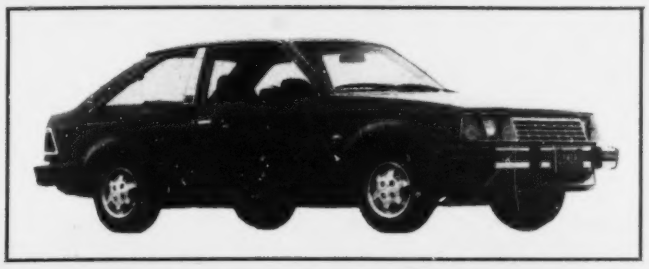
Thomas A. Staudt, vp-marketing group, brings the world car and world car companies into perspective.

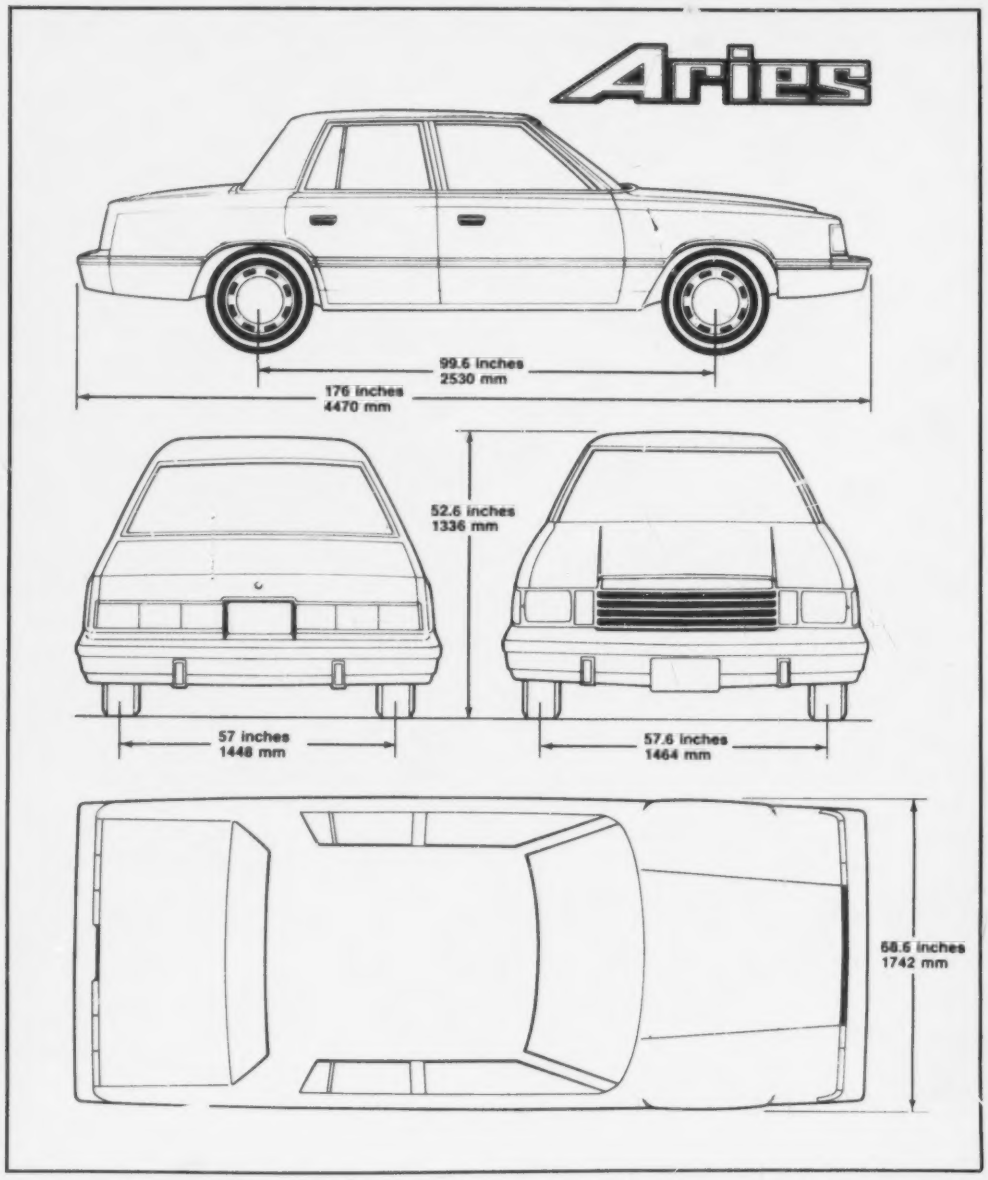
"For a long period of time, there has been a one world market shap-

(Continued on Page S-44)



AUTO MARKETING





General Motors T-car (above) undergoes wind tunnel testing to check its aerodynamic design qualities; good scores mean greater fuel efficiency. The front-wheel-drive Ford Escort (center) bows at dealerships Oct. 3. The Dodge Aries, (below) was designed to hold six passengers; its dimensions are shown in the schematic drawing at right.

. . . but it'll be tough

(Continued from Page S-43)

ing up," he said. "And competition has been increasingly moved to a worldwide basis. That is reflected, in part, by growth opportunities outside of North America for the American companies. And the rate of growth has been and will continue to be faster than it is in North America.

"Conversely the North American market, being the world's largest market, has been an open market and has been very attractive and appealing to virtually every automotive company in the world.

"Now the level of investment requirements, in the economies of scale, have been such that, increasingly, companies have had to look for opportunities to rationalize their total system rather than optimizing the efficiency of individual pieces in their total system, either in geography or specific vehicles or components. And that has led to what has been called world cars.

"This leads you to say in a broader scale . . . that companies are moving to a more international focus of operations—transnationalism.

"If you try to trace the history of this phenomenon, you'd start with companies that first looked beyond the home market. They took what they had in the home market and exported it almost intact.

"Then they found it was cheaper to put certain kinds of subsidiary companies in other markets. [These companies] might take a new product line every six months for the next six years. One of the first will be the Renault 18i, a front-wheel-drive four-door sedan and wagon with fuel injection engine.

"As companies competed in those markets, they may have found it advantageous to have more of the total operation domiciled in those particular countries. And thereby came the transnational company.

"That kind of thinking gets you to a kind of global strategy. Where are the markets of opportunity? What kind of products are required in those markets? Where should my manufacturing facilities be? Where is my access to raw materials? Where should my component plants be located?"

▪ Mr. Staudt believes that the oil crisis of 1973-74 was a turning point in the process to transnationalism only in one sense: "It tended to homogenize more fully the products of companies all over the world," he said.

Because of the broad spectrum of transportation needs for personal mobility, Mr. Staudt believes that the full-size car has a useful place in the industry. He sees a still wider assortment of cars in the future.

Inherently optimistic U.S. automobile manufacturers like Mr. Staudt of AMC look beyond the immediate frustration of plunging domestic car sales.

Mr. Staudt read off the en couraging statistics:

"During the '50s, automobile ownership in Great Britain doubled. In France, it tripled. In West Germany, it quadrupled. In Japan, it increased from 1,000,000 in 1960 to 34,000,000 today."

Outside the U.S., Western Europe, Japan, Canada, Oceania and South Africa is "the rest of the world"—83% of the world's population—with only 12% of its automobiles. "That is a potential automotive market that can scarcely be comprehended," he said.

AMC recognizes that there may not be two Eagle SX/4s and a Jeep in every Gambian or Chinese garage in the foreseeable future, but it holds out hope for some opportunity.

"With limited resources, high energy costs, with millions of hungry people to feed, clothe and house, the Third World nations are assessing the future role of the automobile in their countries with extreme caution," Mr. Staudt said. "But there is no doubt that as those countries begin to tap their own resources and develop their own economies, the demand for cars and trucks will increase sharply."

Volkswagen

Tom McDonald, manager of public relations of Volkswagen of America, is well acquainted with the world car concept.

"If it's a world car as far as the applications throughout the world, I think Volkswagen can go back to the Beetle as a classic world car—the first world car," he said. "If it's assembled from components manufactured around the world, we can look at the Rabbit as our example of a world car.

"The Rabbit, or the Golf as it is called in other countries, is manufactured in Germany, Mexico, South Africa and the U.S.

Ol' Blue Eyes Frank Sinatra, shown here with Chrysler chaiman Lee Iacocca, isn't singing the blues when he croons about Chrysler cars.

▪ "I think the basic concept of world car is the control of the vehicle, the control of the manufacturing is worldwide. You have a worldwide system for quality that reflects the worldwide position of the corporation as far as quality and concept is concerned."

"We, as manufacturers in this country, are looking to add as much domestic content or North American content to the Rabbits we make in this country as possible, whereas I think other manufacturers are getting away from that and trying to get many components from outside of the U.S. market."

"All of our basic research and development work is done in Germany. The responsibility of the satellite country companies is to make some modification, as we have done in the U.S.-built car, for our particular market. But we have not modified the basic engineering fundamentals around which the car was built, nor the basic identity of the vehicle.

"We look at the products we make as Volkswagens. We don't say it's an American Volkswagen. We operate under a worldwide umbrella of quality and products are measured on a world standard that is implemented at all Volkswagen plants throughout the world." #